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Generation Y's expectations of their future employment relationships pose a challenge for their employers

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ABSTRACT

Generation Y is starting to represent a significant proportion of the labor force and adds to the diversity challenges faced by companies, especially those operating in a global market. Although many characteristics of Generation Y with regard to work and employment have been identified through research, most comes from developed Western countries. We explored the employment expectations of business students in Poland, Slovenia, the UK and South Korea from the psychological contract perspective. We aimed to identify and explain differences between anticipated employee and employer obligations of future entrants to the labor market. Overall, students expect more relational and balanced dimensions of a psychological contract than transactional. However, there are significant differences in the elements, dimensions and types of psychological contract between countries. The Polish and Slovenian responses show more elements of a transactional contract than the UK and Korean. The differences can be explained by taking into account economic context and national culture characteristics. The implications of the results for employers' approach to managing young talent are also discussed.

KEY WORDS

anticipatory psychological contract, generation Y, employment relationship, economic context, national culture

JEL Code: M12

1 INTRODUCTION

Workforce diversity is a given for most organizations in an increasingly global business environment, with cultural and generational differences being among the most common sources. Understanding the young generation at work in different cultures is thus becoming an increasingly important topic for employers, as some research suggests that the so-called Generation Y is very demanding because of their high expectations (e.g. Fisk, 2010; De Hauw & De Vos, 2010). Companies report difficulties with attracting young talent, as well as managing them (Del Campo et al., 2011), mostly because of a lower work centrality (Twenge, 2010). However, most of the studies of Generation Y's work-related characteristics were conducted in Western developed countries. Whether or not there are differences between young people in different world regions due to specific cultural and economic contexts is yet to be answered. We aim to add to this knowledge by conducting exploratory research of Generation Y's expectations regarding their future employment relationships, using a sample of business students from four different countries: Poland, Slovenia, the UK and South Korea. While Poland and Slovenia are two of the transitional countries in Central and Eastern Europe, South Korea represents a growing economy of South-East Asia, and the UK is a traditional market economy in Western Europe. Our sample thus enables us to compare other regions to the already more researched Western developed country.

We adopted the psychological contract (PC) perspective to explore anticipated employment obligations. The psychological contract is an important framework for understanding employment relationships, employee behavior and work outcomes (Cullinane et al., 2006), especially with the changing nature of work due to workplace fragmentation and more flexible forms of employment (Guest, 2004). The psychological contract can be defined as "...individual beliefs, shaped by the organization, regarding the terms of an exchange agreement between individuals and their organization" (Rousseau, 1995:9). Research consistently shows that if a breach of the PC occurs, i.e. if employees perceive that organizations have failed to fulfill their promises or obligations, this leads to negative work

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outcomes (e.g. lower job satisfaction and commitment, and turnover intentions) (Zhao et al., 2007; Bal et al., 2008; Rigotti, 2009). Therefore, it is important for employers to understand how PCs are formed and what their content is in order to manage them effectively. However, despite extensive research on PCs and their breach over the last fifteen years, national culture and generational differences have both been neglected (Rousseau & Schalk, 2000; Hess & Jepsen, 2009; Lub et al., 2016). Recently, anticipatory psychological contracts (APC) have attracted the interest of researchers (De Vos et al., 2009; De Hauw & De Vos, 2010; Eilam-Shamir & Yaakobi, 2014). The APC refers to individuals' pre-employment beliefs about their future employment relationship, including promises they want to make to their future employers and inducements they expect to be offered in return (De Vos et al., 2009). APCs are important because they affect how novices at work form and perceive mutual obligations with their employers. We aim to show what kinds of PCs employers can expect from the young graduates they employ by answering three main research questions: 1) What are the typical characteristics of young business students' APCs? 2) What are the APC differences between countries? and 3) How can we explain the differences through country-specific economic and cultural context? By answering these questions, we add to the understanding of the expectations of future entrants to the labor market, thereby helping employers to manage young talent. Effectively attracting, managing and retaining young talent has become important all over the developed world due to unfavorable demographic trends and changing forms of employment relationships. These include more precarious forms of work and temporary work arrangements for young people (ILO, 2015).

2 LITERATURE REVIEW

The revival of the psychological contract's conceptualization and empirical research emerged in the 1990s and is mostly related to the work of Rousseau (1989, 1995). The term was first used by Argyris in the 1960's (Argyris, 1960) when he proposed that perceptions are important in evaluating employment relationships. Theoretical grounds for the concept stem from the social exchange theory (Blau, 1964); employment relationships can be viewed as a series of interactions between employees and employers with mutual obligations occurring over time. Based on the norm of reciprocity (Cropanzano & Mitchell, 2005), they form the basis of a psychological contract (Coyle-Shapiro & Kessler, 2002). As psychological contracts can be viewed as employee beliefs about their employment relationships (Rousseau, 1995), they are actually idiosyncratic mental models or schema (Rousseau, 2001) through which employees evaluate informal elements of employment relationship (Conway & Briner, 2005). Psychological contracts are implicit (not in a written form) (Kotter, 1978) and dynamic, since they change over time due to employees' continuous evaluation of employer's behavior (Schalk & Roe, 2007). Repeated research has shown that the fulfilment of mutual obligations has a positive effect on work outcomes such as commitment and organizational citizenship behavior; a breach has negative effects on the same and also increases intentions to quit (Zhao et al., 2007; Cappelli, 2000; Dulac et al., 2008; Blomme et al., 2010). When a breach of the PC occurs, employees lower their input to the social exchange to restore the balance as they perceive it (Taylor & Tekleab, 2004).

According to Rousseau (1995), PCs can be classified either as 'transactional' (short-term with a mostly materialistic focus) or 'relational' (long-term and not restricted to economic exchange). Later on she added the 'balanced' type: dynamic and open-ended employment arrangements that include both the economic success of the firm and employee opportunities to develop career advantages. The usual transactional–relational continuum was not sufficient to accommodate changes in employment relationships due to flexibilization, new forms of work, the knowledge economy, globalization etc. (Rousseau, 2004). Research has shown that relational PCs are positively related to work outcomes such as commitment and organizational citizenship behavior while transactional contracts have a negative impact and increase intentions to quit (e.g. Millward & Hopkins, 1998; McDonald & Makin, 2000; Rousseau, 2004). Thus, the contracts preferred by employers would be the relational type. We could not find any empirical research testing the effects of balanced PCs on work-related outcomes and attitudes.

When we consider the characteristics of Generation Y related to work and employment (Lyons & Kuron, 2014), there is an obvious question regarding how these characteristics would be reflected in their PCs. Generation Y (also called Millennials, Generation Me, Nexters) is usually defined as a demographic cohort following Generation X and refers to those born between 1982 and 2002 (Parry & Urwin, 2011). Both the popular press and academic research have explored how this generation differs from previous ones and how this would affect their behavior, attitudes and performance at work. Lyons and Kuron (2014) reviewed research on generational differences at work and reported that it seems consistently to show that Generation Y has rather high expectations regarding the returns from work, such as salaries, benefits, promotion, development, work-life balance and interesting work. This review also confirms the claim by Twenge (2010) that work centrality is decreasing for the young generation and loyalty to an employer is not of great importance to them. Instead, Generation Y is willing to switch jobs frequently in order to get what they want (D'Amato & Herzfeldt, 2008; Lub et al., 2012). Generation Y is described as self-centered, high in self-esteem, ambitious and eager to learn, but also suffering increased anxiety and depression (Lyons & Kuron,

2014). Some authors even talk about a sense of entitlement or deservingness being present among the young (Fisk, 2010). On the other hand, current economic and labor market conditions are having a negative effect, especially on the young generation. Relatively high levels of youth unemployment, difficulties in finding a job, temporary work assignments and general uncertainty have lowered their expectations (De Hauw & De Vos, 2010; Smithson & Lewis, 2000). Negative experiences, either while working or just observing events in the surrounding environment, such as lay-offs, reduced salaries and loss of status, can also affect the formation of PCs by reducing expectation and making PCs more transactional (Eilam-Shamir & Yaakobi, 2014).

There has not been much research on the content of PCs for Generation Y. Some authors suggest that while the young in the past were known to focus on relational contracts, especially the developmental component, a more transactional view would seem to prevail recently (Bal & Kooij, 2008). Lub et al. (2016) report results of a comparative study in which they could not confirm that overall Generation Y had higher expectations regarding employer obligations, but the relational obligations were rated higher than other generations. Also, they reported differences regarding the type of the PC: the transactional type seemed to have the same importance as the relational type for the Generation Y. On the other hand, for Generation X, the relational type was much more important than transactional. The only hint regarding the increased importance of the balanced PC comes from implications of the protean career where the focus is on opportunities for growth and development (Hess & Jepsen, 2009), which are associated with Rousseau's (2004) balanced type of PC. Further understanding of Generation Y's PC is important not only for attracting and retaining talent, but also to prevent a breach. PC breaches could be more problematic for the young generation because, according to life span control theory (Heckhausen et al., 2010), young novice employees do not have well-developed emotional control and thus might react more negatively to perceived unfair treatment or being undervalued or unrecognized in the work environment (Bal & Smit, 2012).

This might be the reason why APCs are beginning to attract researcher interest (De Vos et al., 2009; de Hauw & De Vos, 2010; Eilam-Shamir & Yaakobi, 2014). As a concept, the APC does not differ much from the PC, with the exception that it encompasses pre-employment beliefs about mutual obligations (Rousseau, 2001). The APC therefore is not necessarily linked to a particular employer, but refers to an individual's general belief about an exchange relationship between employee and employer obligations. The APC is private to the individual, highly subjective and based on incomplete information. It represents a naïve schema with which a potential employment relationship is interpreted by the individual (Dulac et al., 2006; Sherman & Morley, 2015). Through their pre-employment experiences, the young form perceptions about trust in employers and these perceptions have a strong impact on their orientation towards a relational rather than transactional PC (Conway & Briner, 2005).

It is widely accepted that PCs are subjective in nature and thus affected by individual characteristics, such as values, attitudes and demographics, including age and gender (Atkinson & Cutberth, 2006). Following Markus and Kitayama's (1991) argument that culture shapes psychological processes, national culture has also been incorporated into the research on PC. Such studies are scarce however and limited to Western countries, thus creating the opportunity for more cross-cultural research, the aim of our study. The effects of cultural individualism versus collectivism on PCs have been studied (Thomas et al., 2010), with collectivism being related to more relational PCs and individualism to more transactional PCs. Overall, one of the main criticisms of the PC field is its disregard for contextual factors pertaining to a wider socio-economic context (Cullinane & Dundon, 2006; Guest, 2004). To address this issue is of particular importance in studying APCs, because pre-employment beliefs are largely affected by various social events (Rousseau, 2001) and experiences related to economic conditions (De Hauw & De Vos, 2010; Eilam-Shamir & Yaakobi, 2014).

3 METHODOLOGY

We conducted a survey of business students from five universities, partners within the KEUDOS¹ (Korean and European Double Degree Opportunities for Students) Project funded by EU and Korean government. Participating universities come from South Korea, Poland, Slovenia and the UK. The design of a double-degree scheme at undergraduate level within the KEUDOS Project required matched content of programs and high quality of delivery. Therefore, by focusing on these five universities, we assured comparable levels of study experiences in students. In Poland, the questionnaire was administered at the University of Warsaw, in Slovenia at the University of Ljubljana, and in the UK at the Northumbria University, Newcastle. In South Korea, the questionnaire was administered at Chonnam National University, Gwangju, and Kyungpook National University, Daegu.

We used the psychological contract inventory (PCI) developed by Rousseau (2008). It measures expectations regarding employee and employer obligations. These are grouped in seven dimensions of a PC and three types of PCs: transactional (short-term and narrow dimensions), relational (loyalty and stability dimensions) and balanced (development, performance and external marketability dimensions). Each dimension is tested with four items. Data were collected between April and September 2015. For the UK and Slovenian students, only an on-line questionnaire

was used, while the on-line version was supplemented by a paper version for Korean students, and only the paper version was used for Polish students. The decision to use different means for collecting data was based on the experiences of the local researchers in terms of gathering students' responses. Student participation was voluntary and anonymous. The survey instrument was prepared in the local native language after a translation - back translation procedure for Korean, Polish and Slovenian. The survey produced acceptable levels of internal reliability, with the corresponding Cronbach alpha being marginally higher for employer obligations than employee obligations. The highest score was for the balanced PC (0.78 for employee obligations and 0.90 for employer obligations), followed by the relational (0.60 employee, 0.84 employer), and the transactional (0.67 employee, 0.70 employer).

The sample consisted of a total of 814 students (221 Polish, 249 Slovenian, 253 South Korean, and 91 British). Control was used for both the educational background of the respondents (undergraduate business students in their final two years of study) and age (most were aged between 20 and 23; born between 1992 and 1995). The sample included more female students (overall: 61%; Poland 71%, Slovenia 64%, UK 56%, and Korea 50%) which corresponds to a higher proportion of female business students at universities in our sample. For the analysis, we first used descriptive statistics and paired-samples t-tests to compare employee and employer obligations. Then we conducted analyses of variance regarding the types of PC to identify country differences using a paired-sample t-test and MANOVAs (using the general linear model procedure in SPSS), for which first the three types of PC were entered as dependent variables while controlling for gender and then also the seven dimensions of PC types. The mean differences were also examined through a series of univariate ANOVAs with post-hoc tests. Finally, to achieve more detailed information, we also performed a descriptive analysis and rank-ordering of individual survey items, singling out the highest expectations regarding employee and employer obligations.

4 RESULTS

To address our first research question about the preferred types of PC, we performed a descriptive statistics analysis. The mean values and standard deviations for types of APC in the four countries are shown in Table 1. It can be observed that, overall, the balanced APC type scored slightly higher for employee obligations than the relational type in all four samples, and just the contrary was true for employer obligations. The paired-samples t-test reveals that the relational APC is the only type with a significantly higher mean value for employer obligations compared to employee obligations (also true for each country sample). The transactional APC's mean value is significantly lower for employer obligations compared to employee obligations (also in all other countries than Korea). There is no significant difference between the balanced employee and employer obligations' mean values overall, but the balanced APC is significantly higher for the employee than employer obligations in European countries and higher for the employer than employee obligations in Korea.

Table 1: Mean values (on scale from 1 to 5) for employee and employer obligations according to type of APC by country (standard deviations in parenthesis)

Country	Employee obligations			Employer obligations		
	Transactional	Relational	Balanced	Transactional	Relational	Balanced
Poland (n= 221)	3.01 (0.61)	3.52 (0.49)	3.90 (0.55)	2.89 (0.59)	3.79 (0.79)	3.65 (0.80)
Slovenia (n=249)	2.91 (0.58)	3.50 (0.41)	3.86 (0.52)	2.62 (0.57)	3.73 (0.57)	3.69 (0.68)
South Korea (n=253)	2.47 (0.56)	3.58 (0.47)	3.57 (0.52)	2.45 (0.52)	4.07 (0.57)	3.92 (0.63)
UK (n=91)	2.47 (0.65)	3.74 (0.46)	4.04 (0.54)	2.24 (0.66)	4.02 (0.63)	3.84 (0.72)
Total	2.75 (0.64)	3.56 (0.46)	3.83 (0.54)	2.60 (0.61)	3.89 (0.68)	3.77 (0.72)

Looking at the seven dimensions (Table 2), it can be observed that the highest mean value for expectations regarding employee and employer obligations is for development (a dimension of the balanced APC), both overall and for all countries. The second highest overall is the mean value for external marketability (also a dimension of the balanced APC) for employee obligations and for stability (a dimension of a relational APC) for employer obligations. Here, results differ for countries, which will be explained in more detail later in this section through the ANOVA analysis. Both dimensions of the transactional APC (short-term and narrow) show the lowest level of expectation for both employer and employee obligations. The paired-samples t-test comparing employee and employer

obligations also reveals that the short-term dimension (transactional APC) and external marketability (balanced APC) are significantly lower for employer than employee obligations, overall and for each country sample. This is with the exception of external marketability for Korea, where employer obligations score higher than employee obligations. There are also two dimensions with significantly higher scores for employer obligations compared to employee obligations, namely stability (relational APC) and performance (balanced APC), overall and for all countries. This is with the exception of performance in Slovenia with no significant difference between employee and employer obligations and the lowest score for both, compared to other countries.

Table 2: Mean values (on scale from 1 to 5) for employee and employer obligations according to dimension of APC by country (standard deviations in parenthesis)

Country	Employee obligations						
	Short term	Narrow	Loyalty	Stability	Performance	Development	External
Poland (n= 221)	3.16 (0.83)	2.92 (0.69)	3.45 (0.78)	2.89 (0.63)	3.67 (0.67)	4.23 (0.73)	4.13 (0.63)
Slovenia (n=249)	2.91 (0.97)	2.91 (0.59)	3.04 (0.62)	3.30 (0.60)	3.59 (0.58)	4.17 (0.73)	4.04 (0.66)
South Korea (n=253)	2.37 (0.65)	2.53 (0.66)	3.57 (0.77)	3.00 (0.64)	3.81 (0.58)	4.17 (0.68)	3.61 (0.75)
UK (n=91)	2.47 (0.81)	2.48 (0.57)	3.80 (0.83)	2.80 (0.66)	4.18 (0.49)	4.60 (0.89)	3.90 (0.80)
Total	2.76 (0.89)	2.75 (0.69)	3.40 (0.76)	3.04 (0.65)	3.75 (0.51)	4.23 (0.76)	3.91 (0.72)
Country	Employer obligations						
	Short term	Narrow	Loyalty	Stability	Performance	Development	External
Poland (n= 221)	2.88 (0.74)	2.91 (0.97)	3.33 (0.71)	3.93 (0.81)	3.90 (0.84)	4.11 (1.01)	3.39 (0.94)
Slovenia (n=249)	2.46 (0.82)	2.77 (0.58)	3.11 (0.62)	3.95 (0.65)	3.59 (0.81)	4.13 (0.89)	3.78 (0.84)
South Korea (n=253)	2.10 (0.58)	2.81 (0.74)	3.78 (0.68)	4.15 (0.67)	3.99 (0.60)	4.29 (0.78)	3.85 (0.74)
UK (n=91)	2.09 (0.82)	2.40 (0.96)	3.66 (0.81)	4.01 (0.67)	4.34 (0.71)	4.40 (1.06)	3.34 (0.94)
Total	2.42 (0.79)	2.78 (0.84)	3.44 (0.70)	4.01 (0.74)	3.88 (0.76)	4.21 (0.93)	3.65 (0.85)

In order to address our second research question regarding country differences, we performed a multivariate test to determine if the means of the three types of PC were significantly different between the four student samples when controlled for gender differences. For employee obligations, the results are only significant for country (Pillai's Trace=0.18; $F=17.12$; $df=9$; $p=0.000$) and not for gender (Pillai's Trace=0.05; $F=1.41$; $df=3$; $p=0.239$). They are also marginally significant for the interaction between country and gender (Pillai's Trace=0.03; $F=2.82$; $df=9$; $p=0.003$). For employer obligations, the results are similar, only significant for country (Pillai's Trace=0.15; $F=14.09$; $df=9$; $p=0.000$) and not for gender (Pillai's Trace=0.01; $F=0.19$; $df=3$; $p=0.900$), yet this time with a slightly stronger result for a significant interaction between country and gender (Pillai's Trace=0.04; $F=3.96$; $df=9$; $p=0.000$). This suggests that gender alone does not affect the differences in the types of psychological contract between the four samples, yet may have some interactive effect when combined with country.

A series of univariate tests (ANOVAs with post-hoc tests) confirms the existence of statistically significant differences between the countries for all types of psychological contract. For employee obligations, transactional contracts are significantly higher in Poland and Slovenia compared to Korea and the UK. Relational contracts have a higher mean value for the UK than for the other three countries, and balanced contracts are significantly higher in the UK than in Slovenia and Korea. For employer obligations, the observations are very similar. For transactional contracts, again there are significantly higher values for Slovenia and Poland, yet this time also significantly higher values for Poland compared to Slovenia. For relational and balanced contracts, there are significantly higher values for Korea compared to Slovenia and Poland, and for relational contracts, higher values for the UK compared to Slovenia.

A more detailed review of the mean values for the dimensions of the PC also reveals some interesting differences (Table 2), confirmed by ANOVA with post-hoc tests. There are significant differences for all the dimensions regarding both employee and employer obligations. For employee obligations, again Poland and Slovenia show significantly

higher scores for the short-term and narrow dimensions included in transactional psychological contracts. The UK sample has significantly higher values for loyalty compared to the other three countries, with Slovenia having the lowest score. Meanwhile, the opposite is found for stability, the other dimension of relational PCs, where Slovenia exhibits significantly higher scores compared to the other three countries. For the dimensions of balanced psychological contracts, there are significantly higher scores for development and performance in the UK compared to the other three countries, with Korea having significantly lower scores than the other three countries for development and Slovenia for performance. There are also significantly lower scores for external marketability in Korea compared to the other three countries.

For employer obligations, Poland has significantly higher scores for the short-term dimension compared to the other three countries, while Korea has significantly lower scores for the narrow dimension. For the relational dimensions of loyalty and stability, Slovenia has significantly lower scores for loyalty than the other three countries, and Poland has lower scores than the UK and Korea. Slovenia and Poland also have significantly lower scores for stability compared to Korea. For the dimensions of balanced PCs, performance shows the most differences, with significantly higher scores for the UK compared to the other three countries, and significantly lower scores for Slovenia compared to the other countries. There are significantly higher scores for the developmental dimension in the UK compared to Poland and Slovenia. Finally, there are significantly higher scores for external marketability for Korea compared to Poland and Slovenia.

We also performed a descriptive statistics analysis for all the items and it is interesting to see that in all countries the same three items regarding employee obligations appeared among the top five with the highest mean values (with the UK and Korea showing five of the same items) and two of the same items regarding employer obligations (see Tables 3 and 4, the same items with grey shading). All students expect to make themselves increasingly valuable to their employers, build skills to ensure their value to the organization and actively seek internal opportunities for training and development. However, Polish and, to a lesser extent, Slovenian students express high expectations regarding their future employment possibilities. The UK and Korean students expect to protect the image of the organization for whom they work. Students in all countries expect opportunities for promotion and development from their employers. A more diverse set of top expectations emerged between the countries however. While UK students expect opportunities for career development in the organization and Korean students expect advancement in the firm, Slovenian students expect employers to help them develop externally- marketable skills while also offering them a steady employment and wages and benefits they can count on. The former is also important to Korean students and the latter to Polish students, who seem to expect employers to support their careers in terms of advancement and development.

Table 3: Top five mean values (on scale from 1 to 5) for employee obligation items by country

Poland		Slovenia		Korea		UK	
4.33 (0.82)	Build skills to increase my future employment opp. elsewhere	4.35 (0.69)	Make myself increasingly valuable to my employer	4.24 (0.70)	Make myself increasingly valuable to my employer	4.73 (0.47)	Make myself increasingly valuable to my employer
4.29 (0.70)	Make myself increasingly valuable to my employer	4.32 (0.76)	Actively seek internal opp. for training & devt	4.23 (0.68)	Build skills to increase my value to this organization	4.67 (0.58)	Build skills to increase my value to this organization
4.23 (0.78)	Build skills to increase my value to this organization	4.20 (0.85)	Build skills to increase my value to this organization	4.16 (0.70)	Seek out develop. opp. that enhance my value employer	4.58 (0.62)	Seek out develop. opp. that enhance my value employer
4.20 (0.81)	Actively seek internal opp. for training & devt	4.13 (0.78)	Commit myself personally to this organization	4.07 (0.79)	Actively seek internal opp. for training & devt	4.44 (0.58)	Protect this organization's image
4.18 (0.88)	Build contacts outside this firm that enhance my career potential	4.10 (0.92)	Increase my visibility to potential employers outside this firm	4.04 (0.77)	Protect this organization's image	4.42 (0.78)	Actively seek internal opp. for training & devt

Table 4: Top five mean values (on scale from 1 to 5) for employer obligation items by country (standard deviation in parenthesis)

Poland		Slovenia		Korea		UK	
4.17 (0.96)	Wages and benefits I can count on	4.33 (0.85)	Help me develop externally marketable skills	4.32 (0.66)	Advancement w/in the firm	4.56 (0.69)	Opportunities for career develop. within this firm
4.14 (0.90)	Advancement within the firm	4.27 (0.74)	Opportunities for promotion	4.31 (0.70)	Developmental opportunities with this firm	4.51 (0.74)	Opportunities for promotion
4.13 (0.89)	Developmental opportunities with this firm	4.27 (0.85)	Steady employment	4.31 (0.68)	Opportunities for promotion	4.43 (0.75)	Support to attain the highest poss. lev. of perform.
4.12 (0.99)	Opportunities for promotion	4.25 (0.86)	Developmental opportunities with this firm	4.28 (0.84)	Wages and benefits I can count on	4.40 (0.73)	Developmental opportunities with this firm
4.06 (0.91)	Opportunities for career develop. within this firm	4.20 (0.98)	Wages and benefits I can count on	4.25 (0.85)	Steady employment	4.38 (0.74)	Support me in meeting increasing higher goals

5 DISCUSSION AND IMPLICATIONS

Our results shed some light on the APC type of young business students, members of the Generation Y, in four countries: the balanced type prevails for employee expectations and the relational type for employer obligations. Transactional type scores are the lowest, but here we also observe significant differences between countries: Poland and Slovenia score higher on transactional APC than UK and Korea. The reasons for these differences might be in the broader socio-economic context because both countries have transitioned from a socialist to a market economy since the 1990s, with many negative outcomes for employees (Roaf, 2014; Svejnar, 2002). Nowadays, both experience higher levels of youth unemployment and general prospects for youth are lower (ILO, 2015, 2013). Overall, economic development is lower (WEF, 2015) than in Korea and the UK. Results also suggest that national culture seems to be less strong in forming the APC than the economic context. The UK, with the most individualistic, and Korea, with the most collectivist culture (Hofstede, 2010), show similar mean values in almost all dimensions of the APC. On the other hand, highly individualistic Slovenia (Jazbec, 2007) and more collectivist Poland (Boski, 2006) are again similar, but when we review the differences between them these are opposite to what has been suggested by previous research. Individualism was linked to a more transactional PC (Thomas et al., 2010), but Poland, as a more collectivist country, scores higher on transactional dimensions than Slovenia.

If we look at the dimensions of APC, we observe relatively high levels of expectation regarding both employee and employer obligations when it comes to development, external marketability (more so in both transitional countries, Poland and Slovenia) and performance (with the exception of Slovenia). These high scores for external marketability for Poland and Slovenia seem consistent with a more transactional view of APC in transitional countries. If novices at work do not intend to stay with an employer and do only what they are paid for, then it is predictable that they would focus on developing external marketability in order to find another (possibly better) job. It is important to note that the largest difference between employee and employer obligations is for stability: it is expected from employers but not for employees to reciprocate. Expecting stability from employers could be one way in which the young cope with increased anxiety, which has been identified as one of their characteristics (Lyons & Kuron, 2014). For most other balanced and relational dimensions, we can see that while business students have high expectations regarding employer obligation, they are also willing to reciprocate with high levels of employee obligation, somewhat contradicting the claims of low work centrality (Twenge, 2010) and popular stereotypes of the young as lazy and irresponsible. However, employers should be aware of the fact that unless they fulfill expectations of Generation Y when they start work, they cannot count on the young to stay with them. And even if they fulfill many of the expectations, the high importance of external marketability suggests that early career employers may be used by the young for building experience and improving their opportunities on the job market. There are several possible explanations for this attitude in the young. One of them is the usual requirement of recruiting employers that they seek experienced employees. This puts the inexperienced at an immediate disadvantage. They are aware

of the need to gain experience to be competitive in the labor market. Also, employers today mostly offer precarious forms of employment to the young, which again increases their need to strengthen their competitiveness. The third reason might be related to the working experiences of students (be it supplementary part-time jobs or internships as a part of their education) doing simple, repetitive tasks and uninspiring jobs. Based on this early experience they might believe that the young are not given a fair chance to fulfil potential. Lastly, due to labor market pressure the young must take on any job there is available but not necessarily the job they would aspire to do. Therefore, they will look for any opportunity to improve on their first job.

In several ways, the results of our study confirm previous findings about the young generation at work, anticipatory psychological contracts, and the effects of culture. Lyons and Kuron (2014) report that the Generation Y is ambitious and eager to learn, which is supported by our results showing that young business students understand that is their obligation to seek training and development opportunities and develop their external marketability. Also, like De Vos et al. (2009) and Twenge and Campbell (2008), we found relatively high levels of expectations in all four samples, especially with regard to relational and balanced PCs. The highest scores in all four samples were for the developmental dimension (all scores above 4), even higher for employee than employer obligation. This corresponds to previous findings that great importance is placed by the young on development and advancement as work-related values (Lyons & Kuron, 2014; Zupan et al., 2015), and the APC characteristics reported by DeVos et al. (2009). One possible implication of this finding for employers would be that graduates need opportunities for advancement and development and thus employers need to design special talent management strategies for young employees (McCracken et al., 2015). Since expectations regarding external marketability are also high, employers are faced with real challenges on how to retain young talent. Retention strategies should individualize employment relationships with young talent. One possibility for highly valuable young potentials is to offer them I-deals (Rousseau et al., 2006), so that individuals are able to negotiate contracts different from those of their co-workers. I-deals support individuals' interests and career objectives, reducing the potential for PC breach, with all its negative consequences. I-deals may create tensions among co-workers due to preferential treatment, so employers need to be careful to avoid such negative outcomes. Another possibility is that employers influence APC formation and the development of more realistic expectations of the workplace. At the pre-employment stage this could be through internships and co-operation with universities, later on through coaching and mentoring. Knox and Freeman (2006) argue that strategic recruitment undertaken by employers in the form of employer branding initiatives also serves to influence the individual's beliefs about life within the organization. By understanding the APCs of the young, an employer can increase the likelihood of desired work outcomes (Sherman & Morley, 2015). Lastly, if we look at standard deviations rather than means, we see that there is variety in expectation among students in each country. This is in line with the argument by Twenge (2010) that there is more variability within Generation Y than between generations. The obvious choice for employers is to attract and recruit those candidates who fit best to their offer and thus reduce the risk of expectation gaps.

As suggested by previous cross-cultural research on PCs, we also found differences between the APCs in the observed countries. However, we cannot support the previous findings by Thomas et al. (2010) with regard to the effects of individualism on transactional contracts and effect of collectivism on relational contracts. Notwithstanding, we found the most relational PC characteristics in the UK sample and the most transactional PC characteristics for Poland. Besides the oft-mentioned dimensions of individualism and collectivism, we suggest it is worth exploring other links between cultural dimensions and PCs. The GLOBE study (House et al., 2004), in which all our countries took part, also reports desire and practice scores for dimensions like uncertainty avoidance and performance orientation. Some of these scores can be useful in explaining our results. For example, uncertainty avoidance scores are higher for Slovenia and Korea which corresponds to the higher levels of stability in employee obligations. Also, the performance score for practices is by far the lowest in Slovenia which also corresponds with the lower expectation of performance in Slovenia for both employee and employer obligations in our results. However, the performance score with regards to values is the highest in Slovenia. This would suggest that values may be less influential than practices when it comes to PC formation.

Based on our results, we can thus speculate that, rather than national culture per se, it is experiences with practices and a broader socio-economic context that play an important role in the APC formation process. Past experiences and the general economic and social climate seem to effect significantly the formation of PCs, as we have already proposed. Another source of variation may be the education system. While public higher education is free in Poland and Slovenia (at both participating universities), British and Korean students are used to investing significant effort and financial resources in their education. They might therefore feel a greater need to achieve a return on this investment (Hwang, 2001; Institute of Leadership & Management and Ashridge Business School, 2012), explaining the higher scores on the performance items.

The main contribution of our study is the expansion of cross-cultural research into Generation Y and (anticipatory) psychological contracts to new regions (countries). We also show the importance of considering a wider socio-economic context if we want to understand how PCs are formed and their content. Our results suggest

that economic conditions may be an even more powerful predictor of APC characteristics than national culture. The second important contribution is adding information to a general understanding of Generation Y and their expectations related to work. Although many studies have already shown a high level of expectation regarding employer obligations, we also included anticipated employee obligations in our study. From our results we can see that while young people may demand a lot when they start working, they are also willing to give a lot. It is also interesting to observe that, despite their own preference for external career-building opportunities and changing jobs, Generation Y expects high levels of stability from employers. Overall, dimensions of a balanced contract were highest on the employee obligation side and relational dimensions on the employer side. It is also worth mentioning that we studied the cohort born from 1992 to 1995 into whom there has not been much research so far. This cohort is particularly interesting to study from the economic context perspective as they entered university in the midst of the world financial and economic crises, which had important effects on youth experiences and employment prospects in the observed countries. Based on our results, we can argue that it is important to go beyond the usual continuum of transactional and relational in PC research because the balanced PC dimensions seem to be very important for both employee and employer obligations.

While making some valuable contributions with regard to the APCs of future entrants to the labor market, our study also has certain limitations. We used the convenience sampling approach, which is often employed in cross-cultural research (Cavusgil & Das, 1997). However, only one university in each country (two in South Korea) were involved and only business students. Thus our findings may not be generalizable within the observed countries or to members of Generation Y with different educational backgrounds. Also, the UK sample is much smaller than the other three which may affect the results. For all country samples, participation in the survey was voluntary so it is possible that only the more ambitious and hardworking students took part. Because our study was of an exploratory nature, we did not operationalize context-related experiences but rather used secondary data for explanations of differences. Obviously, future cross-cultural research on APCs should combine APCs, work values, and more in-depth exploration of past experiences related to context at individual level to identify directions and strengths of effects. Another avenue for research would be to compare the APC of students with those of prospective employers, to explore what employers expect regarding their own and future employee obligations. This would allow for identification of possible PC breaches and could help design measures on both sides to avoid a breach actually happening.

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